GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2605
ANSWERED ON:21.03.2005
PRODUCTION OF FERTILIZERS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details of the policy formulated in regard to production of fertilizers by the Government during 2004-05;

(b) the position of foreign investment in the field of production of urea;

(c) the details of production and consumption of urea at present in the country;

(d) the extent of increase in the price of urea registered during 2004 alongwith reasons therefor; and

(e) the steps being taken thereon?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL(SHRI RAM VILAS PASWAN)

(a): Production of fertilizers and payment of subsidy/concession to indigenous fertilizer manufacturing companies is regulated in terms of the provisions of the New Pricing Scheme for urea units and Concession Scheme on sale of de-controlled phosphatic and potassic fertilizers.

(b): Madras Fertilizers Limited (MFL) is the only urea manufacturing public sector enterprise under the administrative control of the Department of Fertilizers where foreign investment through equity participation exists. National Iranian Oil Company (NIOC) holds 25.77% of equity share capital of MFL amounting to Rs. 41.52 crores out of a total equity of Rs. 161.10 crore. Information relating to foreign investment, if any, in respect of urea manufacturing companies in the private sector is not maintained in the Department of Fertilizers.

(c): The figures of production and consumption of urea during the last three years are given in the table below:

(Lakh Metric Tonne)

Year	Production	Consumption
2001-02	191.73	199.17
2002-03	187.27	184.93
2003-04	192.00	197.67
2004-05	201.73	206.00

(Estimated)

(d) & (e) Selling prices of fertilizers have not been increased since 28.2.2002. A marginal increase in selling prices of fertilizers announced on 28.2.2003 was withdrawn w.e.f 12.3.2003.